

UNITED STATES DISTRICT COURT

DISTRICT OF CONNECTICUT

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UNITED STATES OF AMERICA	:	Criminal No. 3:06cr38 (EBB)
	:	
v.	:	
	:	
JOSEPH J. MILO	:	July 26, 2007
	:_____	

GOVERNMENT'S SENTENCING MEMORANDUM

**A. Introduction**

The defendant was indicted and charged with filing false tax returns in violation of 26 U.S.C. § 7206 and conspiring to defraud the I.R.S. in violation of 18 U.S.C. § 371.

On September 6, 2006, the defendant pleaded guilty to the conspiracy count. On November 27, 2007, the probation office issued the first disclosure of the PSR. The parties and the probation office agree that the defendant is exposed to a term of incarceration of 0-6 months.<sup>1</sup> Sentencing is currently scheduled for August 1, 2007.

**B. Discussion**

In this case, AWD, a trash hauling company located in Connecticut, provided the defendant with a salary and free health insurance. During this period of time charged in the indictment, the defendant made representations on his tax returns that he was a full-time employee at AWD. The evidence reveals, however,

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<sup>1</sup>The PSR reaches the same sentencing range contemplated by the plea agreement via a different analysis.

that he never worked at AWD for even one day. For example, on April 10, 2005, the defendant called a co-conspirator and stated that "if you ever need me for anything just call, 'cuz I don't have a f----- job." Call 9989. At that time, the defendant was still on the payroll of AWD, and had received an annual salary from AWD for years.

The defendant, however, did interact with some of the co-conspirators, although his duties were well outside the scope of trash disposal. For a period of time, the defendant regularly collected payments made by a co-conspirator to Matthew Ianniello, a.k.a. "Matty the Horse," a high ranking member of an organized crime family based in New York.<sup>2</sup> Approximately every three months, the defendant would travel to Danbury, Connecticut to meet with a co-conspirator. The defendant would obtain \$20,000 in cash and subsequently deliver this "mob tax" to Ianniello in New York.

### **C. Conclusion**

For at least five years, the defendant was one of numerous "no-show" employees at AWD. As a "no-show" employee, he received over \$50,000 in salary and free health insurance. In addition to not reporting the value of the free health benefits, his false returns facilitated AWD's own tax fraud by allowing the company to take a deduction on its corporate tax returns for costs associated

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<sup>2</sup>On May 9, 2007, this Court sentenced Ianniello to a term of incarceration of 24 months, which he is presently serving.

with the defendant's "employment." In light of all of the facts of this case, the government agrees with the probation officer's assessment that any of the available options will satisfy the goals of sentencing (see PSR ¶ 52) and respectfully requests that the Court impose a sentence in the range suggested by the Sentencing Guidelines.

Respectfully submitted,

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/s/  
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CERTIFICATION OF SERVICE

This is to certify that a copy of the within and foregoing has been FAXED and filed electronically this 26th day of July, 2007 to:

Attorney Ephraim Savitt  
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Ray Lopez, USPO

/s/  
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RAYMOND F. MILLER  
ASSISTANT UNITED STATES ATTORNEY